A Study of Corporate Governance Disclosure Practices in Select Indian Companies with Special Reference to Fast Moving Consumer Goods (FMCG) Sector

A

Synopsis

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In Accountancy and Law

(Commerce)

UNDER THE SUPERVISION OF
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INTRODUCTION

The term Corporate Governance itself explain the meaning that it is an act of managing corporate. Corporate Governance is a set of principles and guidelines on which a company is governed. It ensures that the company works in such a manner to achieve its goal by taking into consideration the benefit of each stakeholder including directors, shareholders, employees and customers etc. Corporate governance is typically perceived by academic literature as dealing with "problems that result from the separation of ownership and control." The internal structure of Corporate Governance includes the Board of Directors, the creation of independent audit committees, rules for disclosure of information to shareholders and creditors and control of the management.

MEANING OF CORPORATE

A corporation is a business entity that is owned by its shareholder(s), who elect a board of Directors to oversee the organization's activities. The corporation is liable for the actions and finances of the business – the shareholders are not. The process of capital accumulation that facilitates development of economies by fuelling growth of its various sectors such as industry, agriculture, infrastructure, trade and commerce has become institutionalized by the corporation.

MEANING OF GOVERNANCE

The term Governance is derived from the Latin word "Gubernance" which means "to steer". Corporate Governance means direction and control of a company.

Governance means the process of decision making and the process by which decisions are implemented. Governance can be used in several contexts such as corporate governance, international governance, national governance and local governance.

There is no single definition of corporate governance which is acceptable to all people. Most of the experts have defined Corporate Governance in their own way. Some of the popular definitions are given below-

DEFINITIONS OF CORPORATE GOVERNANCE

In the narrowest sense, **Noble laureate Milton Friedman** defined corporate governance as "the conduct of business in accordance with shareholders' desires, which generally is to make as much money as possible, while conforming to the basic rules of the society embodied in law and local customs."

According to **Cadbury Committee, UK**, - "Corporate Governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society."

The **OECD** Principles of Corporate Governance states that "Corporate governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined."

Standards & Poor's has defined Corporate Governance as "the way a company is organized and managed to ensure that all financial stakeholders receive their fair share of the company's earning and assets."

The **Kumar Mangalam Birla Committee** constituted by SEBI has defined- "Strong corporate governance is indispensable to resilient and vibrant capital markets and is an important instrument of investor protection. It is the blood that fills the veins of transparent corporate disclosure and high quality accounting practices. It is the music that moves a viable and accessible financial reporting structure."

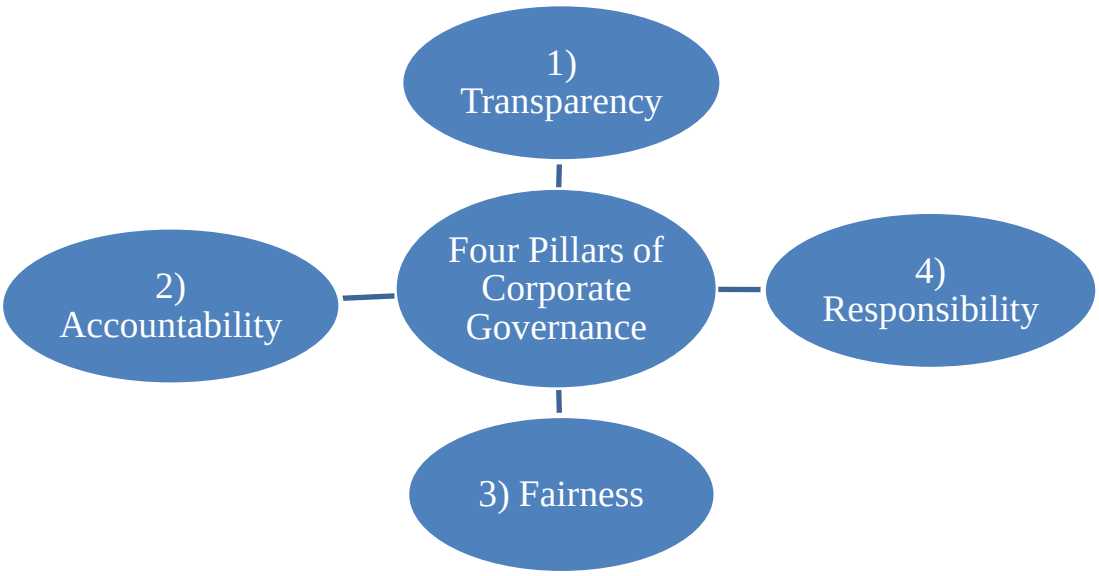
N.R. Narayana Murthy Committee on Corporate Governance constituted by SEBI has observed that- "Corporate Governance is the acceptance by management of the inalienable rights of shareholders as the true owners of the corporation and of their own role of trustees on behalf of the shareholders. It is about commitment to values, about ethical business conduct and

about making a distinction between personal and corporate funds in the management of a company."

According to **American Management Association**, "Corporate Governance is how suppliers of capital get managers to return profits, make sure managers do not misuse the capital by investing in bad projects, and how shareholders and creditors monitor managers".

FOUR PILLARS OF CORPORATE GOVERNANCE

The value of corporate governance lies on its four pillars, on which OECD principles of Corporate Governance are based-



1) Transparency- Companies should provide timely and accurate disclosure on all matters regarding its financial situations, performance, ownership and Governance structure.

2) Accountability- The corporate governance framework helpful in providing strategic guidelines of the company, effective monitoring of management and the board's accountability towards company and shareholders.

3) Fairness- To protect the investor, to prevent the improper trading practices helpful in developing confidence in the market. The corporate governance framework should ensure the equitable treatment of all stakeholders, including minority and foreign shareholders.

4) Responsibility- A company should be responsible towards the corporate, shareholder and public with the help of proper channelization of Corporate Governance Framework.

BENEFITS OF CORPORATE GOVERNANCE TO A CORPORATION

The key contributions of good corporate governance to a corporation includes –

1) Creation and enhancement of a Corporation's competitive advantages.

2) Enabling a corporation perform efficiently by preventing frauds and malpractices.

3) Providing protection to shareholders' interest.

4) Enhancing the valuation of an enterprise.

5) Ensuring compliance of laws and regulations.

CORPORATE GOVERNANCE: THE INDIAN SCENARIO

In the late 1980s and the early 1990s, in America there is a huge problem of scams and failures occurring in the corporate sectors therefore to meet out these problems a committee was set up in the year 1991 and that committee is named as " Cadbury Committee". It was established by the Financial Reporting Council, The London Stock Exchange and the Accountancy Profession to meet out the aim of Financial Aspects of Corporate Governance. The committee published its final report on 1st December 1992. This committee includes the various aspects like- Reviewing the structure and responsibilities of Boards of Directors and recommending a Code of Best Practice, Considering the role of Auditors and addressing a number of recommendations to the Accountancy Profession and Dealing with the Rights and Responsibilities of Shareholders.

The history of corporate governance in India is not very old. Until 1991, India pursued socialist policies. It was in 1991 that the Indian government faced a fiscal deficit. The crisis led to a series of reforms aimed at the opening up of the previously protected economy. Some reforms were reduction in state aided financing and privatization in the various sector. Pressed by a need to face increasing competition, Indian firms began to tap world capital markets for equity. This growing interface with world markets led to efforts aimed at augmenting corporate governance standards. The pioneer endeavors in this area were setting up of the Confederations of Indian Industry (CII) Code for Desirable Corporate Governance in 1998.

The **Securities and Exchange Board of India (SEBI),** which was set up in 1992, constituted two committees to focus on the issue of corporate governance. The committee chaired by

Kumar Mangalam Birla, chairman of the Aditya Birla Group, submitted its report in the year 2000, and the committee chaired by Narayana Murthy, founder and chief mentor of Infosys, submitted its report in 2003. These committees played an instrumental role in laying the foundations of corporate governance in India. They have had maximum impact on changing the corporate governance complexion in India. The recommendations of these committees brought to light the fact that governance reforms are focused on two major areas—disclosure laws and role and composition of board of directors. SEBI's major reforms have been orchestrated through Clause 49 of the listing agreement. Prior to adoption of **Clause 49**, India corporate governance mechanisms were not on a par with world standards. Clause 49 brought in a number of key changes in corporate governance practices and disclosure in all listed companies. An amendment to the Clause 49 in 2003 made it mandatory for every public company listed on Indian stock exchange to sign the listing agreement. Clause 49 was further revised in 2004 and came into effect in the year 2006. The main focus of the revised clause has been to protect the interests of investors through enhanced governance practices and disclosure. Listing Department monitors the compliance of the companies. Clause 49 of the Listing Agreement by Securities Exchange Board of India explains on the issue of Corporate Governance and endorses the standards under which the Companies are ordered to work. After the enactment of the new Companies Act, 2013; Corporate Governance practices in the most reputed listed Indian companies have been questionable on various dimensions and occasions, which required the demand for the improvement of the quality of Corporate Governance for this purpose the Kotak Committee has been constituted on June 2, 2017, under chairmanship of Uday Kotak. Its primary objectives were improving standards concerning Corporate Governance of listed companies in India. The board decided to accept several recommendations of the committee without any modifications, these are as Reduction in the maximum number of listed entity directorship from 10 to 8, eligibility criteria of independent director, role of audit committee, disclosures of utilization of funds, disclosure of expertise, disclosure of auditor credentials, disclosure of related party transactions, etc.

The **Organization for Economic Co-operation and Development (OECD)** is an intergovernmental economic organization with 36 member countries, founded in 1961. It is a forum of countries describing themselves as committed to democracy and the market economy. It gives First set of corporate governance principles in the year 1999 and a revised version was released in 2004. To create legal and regulatory framework for corporate governance in various countries OECD given six Principles and these Principles are- Ensuring the basis of an effective corporate governance framework, The rights of shareholders and key ownership functions, The equitable treatment of shareholders, The role of stakeholders in corporate governance, Disclosure and transparency and The responsibilities of the board.

Deloitte Touche Tohmatsu Limited, (Deloitte), is a multinational professional services network established in the year 1845 in the United Kingdom. Deloitte is one of the "Big Four" accounting organizations and the largest professional services network in the world by revenue and number of professionals. Deloitte provides audit, tax, consulting, enterprise risk and financial advisory services. Deloitte (United Kingdom) given some principles regarding corporate governance and these are- Board leadership and company purpose, Division of responsibilities, Composition, succession and evaluation, Audit, risk and internal control and Remuneration.

REVIEW OF LITERATURE

A Literature Review is text based knowledge which gives the critical points or idea about past studies. Review of literatures emphasizes on what are the objectives, findings and theoretical and methodological structure. This is the secondary source of the data and gives the relevancy for the future study. Analysis of the review of literatures keeps the researcher knowledge up to date on the particular topic. It provides the basis for any research area and helpful in setting the goal of the future research. To design the Research meaningful researcher analyzes the various reviews which are related with the Corporate Governance.

INTERNATIONAL STUDIES RELATED TO FOREIGN COMPANIES

S. No	Year	Author Name	Title of Paper	Objectives	Findings
1)	2018	Igbekoyi Olusola Esther and Agbaje Wale Henry	Corporate Governance and Accounting Information Disclosure in The Nigerian Banking Sector	To examine the effect of corporate governance on the quality of accounting information disclosed in Nigerian banks.	In this paper various factors like- ACM, ACQ, BS, DAC and OS had a significant positive relationship with accounting information disclosure at 1% and 5% level of significance respectively, while CBM had a negative relationship but was insignificant. This paper shows that corporate governance contributes to the quality of accounting information disclosed in the banking sector.
2)	2017	Samiul Parvez Ahmed, Rahatul Zannat & Sarwar Uddin Ahmed	Corporate governance practices in the banking sector of Bangladesh: do they really matter?	To examine the relationship between performances of commercial banks with corporate governance factor along with some internal and macroeconomic variables.	The study shows a positive relation between corporate governance and performances of banks, the statistical insignificance of the relation raises concern regarding various issues of corporate governance in the financial sector of Bangladesh.
3)	2016	Babafemi O. Ogundele, Ahmad Nasseri & Hassan Yazdifar	Evaluation of Corporate Governance Practices in Emerging Markets (A case study of Nigerian Banking Industry)	To examine corporate governance practices in the context of emerging countries.	This study reveals that the Nigerian banking is faced by multiple issues of governance ranging from non-disclosure of information. They suggest multiple factors and influences exist to shape the corporate governance practices within most commercial banks.
4)	2016	Madan Lal Bhasin and Hasan Mohamme d Bamahros	Voluntary Reporting of Corporate Governance Information in Annual Reports: An Empirical Study of an Asian Country	To study the voluntary CG Reporting practices of 50 corporations, over and above the mandatory requirements of Clause 49 of the Listing Agreement.	This paper shows that "corporations are following less than 50 percent of the items of CG Reporting Index. Moreover, there is no significant difference among the reporting scores across the four industries."
5)	2015	Ayesha Tabassum	A Comparative Review of Corporate Governance	To determine the current state of corporate governance	The findings of the study indicate that the role of 'Board of Directors' was important. Comparative analysis across the

			Practices within Banking Sector(Private, Public and Foreign Banks): An empirical review	within the banking industry. To determine the different corporate governance practices within the banks	banks indicated that there is difference in corporate governance banks practices across the three sectors.
6)	2015	Rezwan Mahmood & Md. Moshin Islam	Practices of Corporate Governance in the Banking Sector of Bangladesh	To critically observe the current Corporate Governance status and practices in the banking sector of Bangladesh.	The study found that top management influence as well as political pressure exists in banking sector which affect the lending decisions.
7)	2014	Andrew Munthopa Lipunga	Corporate Governance Practices in Commercial Banking Sector of Malawi: Evidence from Annual Reports	To examine corporate governance practices of commercial banks in a developing country.	The study indicates that the commercial banks in Malawi have adopted the ideals of corporate governance and are making considerable effort to adhere to corporate governance requirements.
8)	2014	Diana Weekes-Marshall	Corporate Governance Disclosure Practices: Evidence from Barbados	To determine the level of corporate governance disclosure practices undertaken by the public limited companies listed on the Barbados Stock Exchange (BSE).	This paper analyze that the companies which participated in other markets proved to be a good indicator of higher levels of corporate governance disclosures.
9)	2012	Kabir Md. Humayun And Ismail Adelopo	A Comparative Analysis of the Corporate Governance Practices in Multinational and Domestic Banks in Zimbabwe	To analyzing the corporate governance practices by multinational banks in comparison to domestic banks in Zimbabwe.	This paper reveals that the multinational banks were superior then domestic banks because multinational banks fellow the all norms of corporate governance as enhance their corporate governance strategies.

10)	2011	Shanta Karand Mithunsarker	Corporate governance practices in private commercial banks-a study on Khulna city	To Evaluate the practices of Corporate Governance codes by the Private Commercial Banks of Bangladesh	The Researcher has found that Corporate Governance codes properly to bring the authenticity in its operations and to bring the faith of the stakeholders as well as the people of Bangladesh.

INTERNATIONAL STUDIES RELATED TO INDIAN COMPANIES

S. No	Year	Author Name	Title of Paper	Objectives	Findings
1)	2018	Pallavi Vartak	Corporate Governance: A Literature Review With A Focus On Public Sector Undertakings In India	To study the corporate governance in public sector Undertakings in India. To understand the challenges faced to adhere the CG	This study reveals that there are few issues and challenges faced by Indian companies on the issues of Corporate Governance. Corporate governance has now playing role in private as well as public sector is enactment of Clause 49 & Company Act 2013.
2)	2017	Prasanna Pai	Corporate governance in banks in India and disclosure practices in Indian public sector and private sector banks	To examine the corporate governance practices disclosure in banks.	This paper analyze the most trusted public sector banks and most trusted private sector banks on the ground of Corporate Governance disclosures and thus are complying with the Clause 49 to a great extent regarding the disclosure of important parameters in their corporate governance report.
3)	2017	Ms. Neelam Bhardwaj and Dr. Batani Raghavendra Rao	Voluntary Corporate Governance Practices in India	To examine the voluntary corporate governance disclosure practices followed by Indian companies. To benchmark the voluntary corporate governance practices of Indian companies with the voluntary guidelines 2009 and International corporate	In this paper researcher found that Voluntary disclosure index has been calculated on the basis of 33 statements, broadly 9 dimensions prescribed by voluntary guidelines 2009 and international corporate governance standards. The results of this study have shown that voluntary disclosure level is very low. As per the results of this study, although voluntary corporate governance disclosure level is improving, yet the overall disclosure level is very weak.

				governance standards.	
4)	2016	Ramendra Kumar Sharma &Prof. Rahul Dhaigude	Practices of corporate governance in IndusInd Bank	To analyze whether "corporate governance" policies plays key role in profit earnings of the banks.	The study concludes that overall "corporate governance" practices of "IndusInd Bank "is good. The performance of bank is increasing year on year from 2011 -12 which is a sign of good governance.
5)	2016	Palaniappan G and Srinivasa Rao P V V S	Relationship between Corporate Governance Practices and Firms Performance of Indian Context	To identify the relationship between corporate governance disclosure practices and firms performance with respect to profitability.	In this paper, statistical analyses were made to measure the relationship and its impact with the help of correlation and regression analysis. The study implied positive and significant impact with the corporate governance disclosure and firms performance of manufacturing firms in India.
6)	2015	Meenu Maheshwari & Sapna verma	Corporate Governance Practices: A Comparative Study Of SBI & HDFC Bank	To examine the role of corporate governance in SBI & HDFC, which are the part of the public sector and private sector Respectively	It is found that, HDFC Bank believes in adopting and adhering to the best recognized corporate governance practices and continuously benchmarking itself against each such practice.
7)	2015	Vidhu Shekhar Jha and Vikas Mehra	Corporate Governance Issues, Practices And Concerns In The Indian Context – A Conceptual Study	To enhance the shareholders" value and protect the interest of other stakeholders by enhancing the corporate performance and accountability.	Researcher found in this paper, the impact of corporate governance on productivity for an organization. What are the various codes on corporate governance? Implementation issues in the context of Indian companies. The role of corporate governance in Public Sector Enterprises (PSEs) and the role of the apex body for public sector enterprises in India,
8)	2014	Sonia Sharma	Corporate Governance Practices: A Case Study of ICICI Bank Ltd.	To evaluate the corporate governance practices in banking sector particularly in the ICICI Bank Ltd	In this paper, ICICI Bank has complied with the requirements of Clause 49 of the listing agreement, as far as mandatory information is concerned. But more efforts should be directed towards the compliance of non-mandatory requirements like fixation of retirement age of the directors, selection criterion for non-executive and independent directors, etc.

9)	2014	M. Subramanyam, Himachalam Dasaraju	Corporate Governance and Disclosure Practices in Listed Information Technology (IT) Companies in India	to analyze the level of disclosure on corporate governance practices among the biggest IT companies in India and its effects on performance and profitability	This paper analyse the country's government environment especially legal and market infrastructure highly affect the companies' rate of disclosure which then increases profitability. The results suggest that corporate governance should be monitored. Good legislation and a market environment that is free from corruption are essential for corporate governance disclosure to be efficient.
10)	2014	Nidhi Tyagi, Mohd. Atif & Yusra Naseem	Corporate Governance Practices in India: A Comparative Study of Selected Banks	To examine the Corporate Governance Practices in SBI.	In this paper it reveals that the SBI disclosed all the necessary disclosure, some are positive in nature as well some are in negative.
11)	2013	Rajat Deb	A study of Corporate Governance Practices in Indian Banks	To study the corporate governance framework in Indian banks.	In this paper, the good corporate governance is a reality and Indian Banking sector has left no stone unturned to achieve this. In this paper the primary research also reflected the sheer sincerity of senior bank‘s executive to take this mission forward to the zenith of success.
12)	2013	Ankita Asthana and M.L. Dutt	The Extent of Disclosure Code of Corporate Governance in India: A Comparative Study of Public and Private Sector Banks	To examine the corporate governance code adopted by public and private sector banks in their annual reports.	The study contributes novelty by measuring not only the disclosure practices which are mandatory and non-mandatory for the scheduled commercial banks listed at the stock market, but also examines the exemplary committees formed by banks both in public & private sector showing their inclination and intent towards forming additional corporate governance committees over and above the once which are recommended by SEBI & Reserve Bank of India (RBI) to curb frauds.

NATIONAL STUDIES

S. No	Year	Author Name	Title of Paper	Objectives	Findings
1)	2019	Pankaj Kapoor	Corporate Governance – An International Perspective	To study the corporate governance codes of different countries such as India, United	In this paper, different legal systems, institutional frameworks, traditions results in range of different

			A Study of Different Corporate Governance Codes	Kingdom & United States of America as well as code from bodies like OCED and ICGN.	approaches to corporate governance; developed around the world has been studied. However, common to all good corporate governance regimes is to safeguard the interests of shareholders.
2)	2019	Subhash Chandra Das	Indian Company Law On Corporate Governance – A Critical Analysis	To enumerates important enactments of Indian Companies Act, 2013 concerning Corporate Governance.	This paper critically analyse the new Company Law, discusses the changes taken place to the 2013 Act in regard to key topics of governance and makes new suggestions for further improvement in the standard of Corporate Governance.
3)	2018	Meenu Maheshwari	Corporate Governance Disclosure Practices In PHARMA And FMCG Sector Companies	To construct Corporate Governance Disclosure index and to make comparative analysis of Corporate Governance Disclosure Practices by using index score among the sampled companies.	This study reveals that degree of Corporate Governance Disclosure Practices is excellent in all sampled companies. All Pharma and FMCG Sector companies included in BSE SENSEX fulfilled almost mandatory requirements in all sub-indices prepared as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.Findings also show that FMCG sector companies secure more score in comparison to Pharma sector. The ITC Ltd. scored the highest score 96in Corporate Governance Index.
4)	2018	Meenu Maheshwari	Corporate Governance Practices In Indian Corporate IT Sector Included In BSE Sensex: A Comparative Study	To make comparative analysis of Corporate Governance Disclosure Practices by using index score among the sampled companies.	Researcher analyze, all IT Sector companies included in BSE SENSEX fulfilled almost mandatory requirements in all sub-indices of the SEBI Regulations 2015. The Infosys Ltd. scored the highest score i.e.95 in Corporate Governance Index. However, all the companies are doing excellent corporate governance practices, but in order to maintain interest of stakeholders and for more transparency in business operation, SEBI should take more stringent steps to avoid

					any kind of fraud and to fair trading in the stock market.
5)	2017	S. Sandhya and Neha Parashar	Literature Review on Corporate Governance Structure and Firms Performance with Special Reference to Banking Sector	To review the literature on Corporate Governance practices.	This paper reveals that 66 relevant research articles are reviewed from the journals whose online editions are available and doctoral theses. The parameters used for searching were Corporate Governance index, governance in banks and financial variables. The literature is categorized on various bases like the country of study, year of study, type of research.
6)	2017	Prahlad Sharma	The Role Of Corporate Governance In Middle East (Corporate Governance And Ethical Issues)	To analyse the legitimacy of companies and their directors, the effectiveness of governing bodies, and their accountability in the society have become crucial and critical issues.	In this paper, the global economic and financial crisis is also affecting the MENA region, and threatening its capacity to attain the necessary level of economic growth in order to meet the demands of citizens in search of improved welfare, without destroying natural resources. Many alternative structures can work well in the appropriate context. In fact, despite all the commentary on governance structure-unitary and two-tier board, the proportion of INEDs, the separation of chairman and CEO, board committees and the rest, the issue of effective governance is not really about structure but about process.
7)	2015	Rachana Vishwa karma and Alok Kumar	Does Corporate Governance Increases Firm Performance of It Industry? An Empirical analysis	To ascertain the effect of corporate governance aspects on the performance of selected IT companies in India along with their year wise performance.	From analysis, Researcher found that the sizes of board of directors, Independent directors and board committees have affect significantly the IT companies. They have been found no any significant impact of female board and board meeting on financial performance. It is quite surprising when gender effect among the board members did not turn out to be significant with regard to financial performance. So,

					Composition of boards has differentiated the financial performance results.
8)	2012	James Jacob	Corporate Governance in Urban Co-operative Banks – The New Mantra for Greater Efficiency and Customer Satisfaction	To find out the relevance of practicing corporate governance in urban co-operative banks.	This paper shows that, Corporate Governance is different from day to day management of a bank, which is the basic responsibility of the operating management i.e. a team consisting of the Chief Executive & top management functionaries supported by the operating staff. Corporate governance on the other hand, is to create an environment to help the operating management to enhance the stakeholders' value.
9)	2011	Jaspreet Kaur	Corporate Governance in India: Issues for Consideration	To promote good corporate governance, strengthening of the democratic process and strengthening the media to ensure public awareness, undertaking the regular policy reviews and effective corporate leadership.	This paper reveals, A successful governing body needs a cadre of the competent. Respected leadership is a crucial driving force. Professionalism, with continuous personal development and learning, is fundamental. In future, governing bodies may have to be less rigid, less bounded, and more adaptable. That might mean board styles are transient, more flexible, and certainly less formal. The original concept of the corporation was founded on trust. Directors were recognized a reliable stewards of the interests of others.
10)	2009	Hitesh J Shukla	Corporate Governance and Indian FMCG Industry	To examine the governance practices prevailing in the prominent companies of the Indian Fast Moving Consumer Goods (FMCG) sector within the Indian regulatory framework.	The study includes four renowned companies in the FMCG sector. It has been observed that among the four renowned FMCG companies, ITC scored the highest points, followed by Tata Tea, HUL and Nestle. ITC, Tata Tea and HUL figured in the criteria of Very Good and Nestle figured in the criteria of Good.

RESEARCH GAP

Earlier there have been numerous studies conducted on the Corporate Governance but no study has been conducted on Corporate Governance Disclosure practices in FMCG sector as well as no study has been conducted on comparative study on Corporate Governance Disclosure Practices between Large - Cap FMCG Companies and Mid-Cap FMCG Companies. Most of the studies are based on Disclosure of mandatory requirement of Corporate Governance practices but very few studies have been conducted on Non-Mandatory requirement of Corporate Governance Practices and many aspects like- member of audit committee members, non-executive directors, board meetings are not covered sufficiently under the previous studies.

NEED OF THE STUDY

- In the last decade Corporate Frauds and Governance failure is occurring frequently which has stolen the trust of investors thus it is require to revive the confidence of investors. Securities Exchange Board of India is also making continuous efforts to protect the interest of investors by way of strengthening the corporate governance and more disclosure of Corporate Governance Practices. So there is a need of Study extent of disclosure of Corporate Governance Practices in selected companies.
- Significant changes have been made in corporate governance practices by the amendment of Companies Act 2013. Clause 49 has been revised as per the guidelines of Companies Act 2013. Therefore, there is a need to study these changes related to Corporate Governance Disclosure practices as per the revised guidelines of SEBI clause 49. Besides SEBI Clause 49, there is a need to study the other parameters of Corporate Governance.
- FMCG Sector plays a major role in development of India. Selected companies generating employment, increasing exports, increasing tax revenues and innovation. So, there is a need to study the comparative study on corporate Governance disclosure practices in large-cap and mid-cap selected companies of FMCG sector.

OBJECTIVES OF THE STUDY

- To examine the Corporate Governance disclosure practices in selected Large-cap companies of FMCG sector as per selected guidelines.
- To examine the Corporate Governance disclosure practices in selected Mid-cap companies of FMCG sector as per selected guidelines.
- To compare the Corporate Governance disclosure practices in selected Large-cap and Mid-cap companies of FMCG sector as per selected guidelines.
- To study investors perception towards Corporate Governance disclosure practices in selected Large-cap and Mid-cap companies of FMCG Sector as per selected guidelines.

RESEARCH METHODOLOGY

To accomplish the objectives of the study, the following research methodology will be followed:

1. Scope of the Study:

It will cover the Corporate Governance Disclosure Practices in selected companies of FMCG Sector as per selected guidelines i.e. SEBI CLAUSE 49, OECD Guidelines and Deloitte regulation.

2. Types of Data:

Primary and Secondary data will be used for achieving the different objectives of the study.

3. Data Collection:

- **Primary Data-** Data will be collected through Questionnaire which will be filled up by 200 investors of selected companies.
- **Secondary Data-** Data will be collected through Annual Reports of the selected companies and other sources like- research papers, Journals, Magazines, Periodicals and Newspapers.

4. Sample Size:

Sample size is 10 FMCG Sector companies, 5 companies are from Large – Cap i.e. Largest Market Capitalisation and 5 companies are from mid – Cap i.e. Middle Market Capitalisation of Fast Moving Consumer Goods (FMCG) Sector. These Companies are as following-

S. No.	Large- Cap Companies	Mid- Cap Companies
1.	Hindustan Unilever Limited (HUL)	Colgate Palmolive (India) Limited
2.	India Tobacco Company Limited (ITC Limited)	Emami Limited
3.	Britannia Industries Limited	Avanti Feeds Ltd.
4.	NESTLÉ India	Bajaj Consumer Care Ltd.
5.	Marico Limited	Jyothy Laboratories Ltd
6.	DABUR India Ltd.	Tata Global Breverages Ltd.
7.	Godrej Consumer Products Ltd.	Future Consumer Ltd.
8.	Proctor and Gamble Hygiene and Healthcare Ltd.	Godfrey Phillips India Ltd.
9.	GlaxoSmithkline Consumer Healthcare Ltd. (GSK)	KRBL LTD.
10.	United Brewerie	Zyduswellness Ltd.

5. Sample Selection Criteria:

- Selected Companies are listed in NSE and BSE.
- Selected Companies are top 5 companies in their respective sector on the basis of Market Capitalisation as on 1 April 2015.

6. Type of Research:

This study is analytical type of research.

7. Duration of the Study:

For the purpose of analysis of data, a period of five financial year from 2015-16 to 2019-20 will be considered for the study.

8. Data analysis:

To analysis of the data different statistical and presentation tools will be used.

- For the analysis of data descriptive tools like- Mean, Standard Deviation and inferential statistical tools like- Chi-Square Test, T-test and ANOVA will be used.

- The presentation tools will be bar diagram, pie- chart and graph.
- Check list will be prepared for the study.

HYPOTHESES

Researcher has constructed the following Null Hypotheses (H_o):

- **Ho_1:** There is no significant difference in disclosure practices of Corporate Governance in selected Large-cap companies of FMCG Sector.
- **Ho_2:** There is no significant difference in disclosure practices of Corporate Governance in selected Mid-cap companies of FMCG Sector.
- **Ho_3:** There is no significant difference in disclosure practices of Corporate Governance in selected Large-cap and Mid- cap companies of FMCG sector.
- **Ho_4:** There is no significant awareness exists among investors of selected companies regarding Corporate Governance disclosure practices.

OBJECTIVE WISE RESEARCH METHODOLOGY

S.NO.	OBJECTIVES	OBJECTIVE WISE RESEARCH METHODOLOGY
1.	To examine the Corporate Governance disclosure practices in selected Large-cap companies of FMCG sector as per selected guidelines.	To achieve this objective researcher will prepare the checklist according to selected guidelines on corporate governance disclosure practices in selected Large-cap companies and for the analysis researcher will use the mean, S.D., T- Test and ANOVA.
2.	To examine the Corporate Governance disclosure practices in selected Mid-cap companies of FMCG sector as per selected guidelines.	To achieve this objective researcher will prepare the checklist according to selected guidelines on corporate governance disclosure practices in selected Mid-cap companies and for the analysis researcher will use the mean, S.D., T- Test and ANOVA.
3.	To compare the Corporate Governance disclosure practices in selected Large-cap and Mid-cap companies of FMCG sector as per selected guidelines.	To achieve this objective researcher will compare the disclosure practices of selected Large-cap and Mid-cap companies of FMCG sector on the basis of results of First and Second Objective.
4.	To study investors perception towards Corporate Governance disclosure practices in selected large-cap and Mid-cap companies of FMCG Sector as per selected guidelines.	To achieve this objective Researcher will prepare Questionnaire to be filled up by the 200 investors and Questionnaire will be analyzed on the basis of Weighted Average Mean and Chi- Square Test.

PROPOSED CHAPTER PLAN

CHAPTER NO.	NAME OF THE CHAPTERS
CHAPTER 1	INTRODUCTION
CHAPTER 2	REVIEW OF LITERATURES
CHAPTER 3	CORPORATE GOVERNANCE DISCLOSURE PRACTICES IN SELECTED LARGE-CAP AND MID-CAP COMPANIES AS PER SELECETED GUIDELINES
CHAPTER 4	COMPARATIVE STUDY OF CORPORATE GOVERNANCE DISCLOSURE PRACTICES IN SELECTED LARGE-CAP AND MID-CAP COMPANIES AS PER SELECTED GUIDELINES
CHAPTER 5	ANALYSIS OF INVESTORS PERCEPTION
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